



North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities  
and Substance Abuse Services

Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Richard J. Visingardi, Ph.D, Director

September 5, 2003

**MEMORANDUM**

To: Area Directors  
Area Finance Officers

From: Leza Wainwright  
Budget & Finance Team

Re: SFY 04 CAP-MR/DD Virtual Allocations

Enclosed please find the SFY 04 final CAP-MR/DD Virtual Allocations. The enclosed spreadsheet outlines two "virtual budgets": 1) the "Existing Virtual Allocation" that tracks funds for waiver participants who were CAP consumers last fiscal year prior to the aggregate funding pilot allocations completed in March 2003; and 2) the "Expansion Virtual Allocation" representing the additional funding that is available a result of the General Assembly increasing waiver matching funds in SFY 03. The methodology used to derive these two "virtual budgets" is as follows:

1. The existing virtual allocation figures (SEE COLUMN LABELED "EXISTING VIRTUAL ALLOCATION") are essentially the same as last year. The allocations last year were based on the projected earnings for SFY 03 following the completion of January 2003 billing. This amount was continued unchanged into SFY 04 except for changes related to any client transfers (SEE COLUMN "YTD TRANSFERS") that have occurred between area programs. The detail of client transfers can be seen on the last spreadsheet in the electronic version of the CAP-MR/DD fiscal analysis.
2. The methodology for the allocation of SFY 04 expansion dollars (SEE COLUMN LABELED "EXPANSION VIRTUAL ALLOCATION") is the same methodology used for the pilot area programs that received funds in SFY 03. Each area program is "allocated" funding for 10 individuals as a base level. In addition to those funds, the remaining expansion funds are "allocated" proportionally based on the number of potential eligible CAP-MR/DD individuals waiting for services. The amount per additional consumer expected to be served is computed at last year's unweighted aggregate average of \$43,000. Please note that this does not mean that the CAP-MR/DD ceiling of \$86,058 is replaced by \$43,000, but rather that the pool of people being served with the expansion funds must have an average cost of \$43,000.

Please note that the "Expansion Virtual Allocation" figure is an annual amount and plan accordingly. When adding new individuals into the CAP-MR/DD program, it is necessary to take into account the projected annual costs since new placements made during SFY 04 will not be for a full twelve months.

Failure to take this into account may give the false appearance that there are surplus expansion funds at the end of SFY 04.

The addition to displaying the SFY 04 “virtual allocations,” the format in which this information is presented represents the CAP-MR/DD fiscal analysis. The CAP-MR/DD fiscal analysis will be updated monthly to track CAP-MR/DD waiver expenditures throughout the year and should be used to track your “virtual” budgets and the year-to-date expenditures against those budgets. The report will track changes in area program budgets and in numbers of clients served. Please note that the data contained in this current fiscal analysis contains only paid claims for July, thus with only one month factored into the calculations, the anticipated surplus/deficit calculations give an inaccurate picture.

If you have any questions regarding the CAP-MR/DD “virtual allocations” or with the CAP-MR/DD fiscal analysis, please contact Kent Woodson at the DMH/DD/SAS Budget and Finance office at 919-733-7013 or via email at [kent.woodson@ncmail.net](mailto:kent.woodson@ncmail.net).

cc: Secretary Carmen Hooker Odom

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CAP-MR/DD Fiscal Analysis SFY 04 thru July

Month= 1

AP Code	AP Name	Existing Virtual Allocation	Expansion Virtual Allocation	YTD Avg. Cost of Existing Clients	YTD Avg. Cost of Expansion Clients	Target Number of Expansion Clients To Serve	Existing MIDs on Paid Claims File	Actual # of Expansion Served YTD	Existing W-Code Paid Claims YTD	Expansion W-Code Paid Claims YTD	Existing Avg. Monthly Paid Claims	Expansion Avg. Monthly Paid Claims	Projected SFY Surplus/ Deficit for Existing Clients	Projected SFY Surplus/ Deficit for Expansion Clients	YTD Transfers
101	SMOKY MTN	\$5,146,393	\$774,000	\$36,189	\$21,374	18	130	6	\$392,051	\$10,687	\$392,051	\$10,687	\$441,786	\$645,758	\$42,322
102	BLUE RIDGE	\$12,224,287	\$1,419,000	\$55,043	#DIV/0!	33	264		\$1,210,948	\$0	\$1,210,948	\$0	(\$2,307,085)	\$1,419,000	(\$71,838)
103	NEW RIVER	\$5,593,880	\$774,000	\$55,107	#DIV/0!	18	123		\$564,844	\$0	\$564,844	\$0	(\$1,184,246)	\$774,000	(\$36,998)
104	TREND	\$4,054,052	\$602,000	\$52,805	#DIV/0!	14	83		\$365,237	\$0	\$365,237	\$0	(\$328,787)	\$602,000	(\$65,599)
105	FOOTHILLS	\$8,015,065	\$1,118,000	\$66,940	#DIV/0!	26	173		\$965,045	\$0	\$965,045	\$0	(\$3,565,480)	\$1,118,000	(\$9,177)
106	RUTHERFORD-POLK	\$3,275,663	\$688,000	\$52,123	#DIV/0!	16	64		\$277,991	\$0	\$277,991	\$0	(\$60,229)	\$688,000	
108	PATHWAYS	\$14,300,427	\$1,204,000	\$56,890	#DIV/0!	28	284		\$1,346,386	\$0	\$1,346,386	\$0	(\$1,856,204)	\$1,204,000	\$61,575
109	CATAWBA	\$4,312,002	\$903,000	\$51,506	#DIV/0!	21	83		\$356,251	\$0	\$356,251	\$0	\$36,990	\$903,000	(\$104,305)
110	MECKLENBURG	\$22,036,011	\$1,978,000	\$55,098	#DIV/0!	46	372	0	\$1,708,052	\$0	\$1,708,052	\$0	\$1,539,391	\$1,978,000	(\$16,245)
112	PIEDMONT	\$14,620,308	\$1,677,000	\$49,483	#DIV/0!	39	256	0	\$1,055,628	\$0	\$1,055,628	\$0	\$1,952,766	\$1,677,000	\$133,692
201	CROSSROADS BEH.	\$9,569,470	\$1,247,000	\$48,611	#DIV/0!	29	195		\$789,935	\$0	\$789,935	\$0	\$90,255	\$1,247,000	(\$36,061)
202	CENTERPOINT H. S.	\$13,229,623	\$1,763,000	\$57,240	\$33,505	41	257	6	\$1,225,886	\$16,753	\$1,225,886	\$16,753	(\$1,481,015)	\$1,561,969	\$191,030
203	ROCKINGHAM	\$2,565,165	\$516,000	\$44,357	#DIV/0!	12	65		\$240,269	\$0	\$240,269	\$0	(\$318,066)	\$516,000	
204	GUILFORD	\$15,869,924	\$2,193,000	\$71,216	#DIV/0!	51	303		\$1,798,213	\$0	\$1,798,213	\$0	(\$5,708,633)	\$2,193,000	
205	ALAMANCE-CASWELL	\$3,605,043	\$688,000	\$49,953	#DIV/0!	16	94		\$391,302	\$0	\$391,302	\$0	(\$1,090,582)	\$688,000	\$26,375
206	O-P-C	\$6,310,102	\$1,118,000	\$50,059	\$10,180	26	148	3	\$617,393	\$2,545	\$617,393	\$2,545	(\$1,098,608)	\$1,087,460	(\$8,134)
207	DURHAM CENTER	\$6,389,605	\$731,000	\$55,836	#DIV/0!	17	118		\$549,054	\$0	\$549,054	\$0	(\$199,041)	\$731,000	(\$58,352)
208	V-G-F-W	\$4,640,762	\$860,000	\$44,820	#DIV/0!	20	102		\$380,968	\$0	\$380,968	\$0	\$69,152	\$860,000	(\$48,104)
302	DAVIDSON	\$3,330,704	\$688,000	\$42,427	#DIV/0!	16	87		\$307,594	\$0	\$307,594	\$0	(\$360,419)	\$688,000	\$33,940
303	SANDHILLS	\$5,703,674	\$1,032,000	\$35,605	#DIV/0!	24	148	0	\$439,130	\$0	\$439,130	\$0	\$434,113	\$1,032,000	\$178,624
304	S E REGIONAL	\$9,563,231	\$1,161,000	\$58,406	#DIV/0!	27	188		\$915,024	\$0	\$915,024	\$0	(\$1,417,061)	\$1,161,000	\$36,895
305	CUMBERLAND	\$10,552,045	\$1,505,000	\$60,179	#DIV/0!	35	194		\$972,901	\$0	\$972,901	\$0	(\$1,122,764)	\$1,505,000	(\$106,936)
306	LEE-HARNETT	\$3,007,906	\$559,000	\$56,461	#DIV/0!	13	61		\$287,010	\$0	\$287,010	\$0	(\$436,216)	\$559,000	
307	JOHNSTON	\$2,713,008	\$645,000	\$49,122	#DIV/0!	15	62		\$253,796	\$0	\$253,796	\$0	(\$332,543)	\$645,000	\$2,252
308	WAKE	\$15,702,661	\$2,365,000	\$48,552	\$17,977	55	364	5	\$1,472,732	\$7,490	\$1,472,732	\$7,490	(\$1,970,129)	\$2,275,117	(\$61,403)
310	RANDOLPH	\$4,596,583	\$602,000	\$55,984	#DIV/0!	14	97		\$452,535	\$0	\$452,535	\$0	(\$833,840)	\$602,000	(\$55,136)
401	SOUTHEASTERN	\$8,703,963	\$860,000	\$43,078	#DIV/0!	20	178		\$638,989	\$0	\$638,989	\$0	\$1,036,100	\$860,000	(\$195,713)
402	ONSLOW	\$4,636,343	\$602,000	\$49,308	#DIV/0!	14	98		\$402,684	\$0	\$402,684	\$0	(\$195,868)	\$602,000	
404	WILSON-GREENE	\$3,339,932	\$559,000	\$45,582	#DIV/0!	13	72		\$273,494	\$0	\$273,494	\$0	\$57,998	\$559,000	
405	EDGECOMBE-NASH	\$4,715,546	\$860,000	\$50,826	#DIV/0!	20	98		\$415,079	\$0	\$415,079	\$0	(\$265,400)	\$860,000	(\$62,760)
406	RIVERSTONE	\$2,061,370	\$516,000	\$50,050	#DIV/0!	12	49		\$204,372	\$0	\$204,372	\$0	(\$391,091)	\$516,000	(\$83,072)
407	NEUSE	\$5,916,527	\$903,000	\$73,158	#DIV/0!	21	124		\$755,962	\$0	\$755,962	\$0	(\$3,155,012)	\$903,000	
409	PITT	\$4,173,527	\$946,000	\$54,811	#DIV/0!	22	82		\$374,539	\$0	\$374,539	\$0	(\$320,936)	\$946,000	
410	ROANOKE-CHOWAN	\$2,418,840	\$473,000	\$49,486	#DIV/0!	11	52		\$214,438	\$0	\$214,438	\$0	(\$154,416)	\$473,000	\$62,760
411	TIDELAND	\$3,264,654	\$602,000	\$52,479	#DIV/0!	14	66		\$288,636	\$0	\$288,636	\$0	(\$198,973)	\$602,000	

CAP-MR/DD Fiscal Analysis SFY 04 thru July

AP Code	AP Name	Existing Virtual Allocation	Expansion Virtual Allocation	YTD Avg. Cost of Existing Clients	YTD Avg. Cost of Expansion Clients	Target Number of Expansion Clients To Serve	Existing MIDs on Paid Claims File	Actual # of Expansion Served YTD	Existing W-Code Paid Claims YTD	Expansion W-Code Paid Claims YTD	Existing Avg. Monthly Paid Claims	Expansion Avg. Monthly Paid Claims	Projected SFY Surplus/ Deficit for Existing Clients	Projected SFY Surplus/ Deficit for Expansion Clients	YTD Transfers
412	ALBEMARLE	\$2,989,268	\$602,000	\$33,492	\$18,325	14	102	3	\$284,682	\$4,581	\$284,682	\$4,581	(\$426,915)	\$547,025	
413	EASTPOINTE	\$11,943,113	\$1,247,000	\$41,397	\$21,909	29	285	6	\$983,171	\$10,954	\$983,171	\$10,954	\$145,061	\$1,115,549	\$250,368
TOTAL		\$265,090,677	\$36,980,000	\$50,096.81	#DIV/0!	860	5,521	29	\$24,172,219	\$53,010	\$24,172,219	\$53,010	(\$24,975,947)	\$36,343,878	\$0

Explanation of CAP-MR/DD Fiscal Analysis Elements

Column Name
AP Code
AP Name
Existing Virtual Allocation
Expansion Virtual Allocation
YTD Avg Cost for Existing Clients
YTD Avg Cost for Expansion Clients
Target # of Expansion Clients To Serve
Actual # of Expansion Served YTD
Existing W-Code Paid Claims YTD
Expansion W-Code Paid Claims YTD
Existing Avg. Monthly Paid Claims
Expansion Avg. Monthly Paid Claims
Projected SFY Surplus/Deficit for Existing
Projected SFY Surplus/Deficit for Expansion

## Explanation of CAP-MR/DD Fiscal Analysis Elements

Explanation
AP Assigned Code
Abbreviated AP Designation
Virtual Allocation Figure Derived from Projected Numbers based on Earnings in SFY 03 thru 23 Check Writes
Virtual Allocation Figure Derived from Targeted Number of Expansion to Serve X \$43,000 (pro-rated in SFY 03 for Q4)
Avg. Monthly Paid Claims for Existing Budget multiplied by 12 and then Divided by Unique Existing Client MID's on Medicaid Paid Claims File
Avg. Monthly Paid Claims for Expansion Budget multiplied by 12 and then Divided by Unique Expansion Client MID's on Medicaid Paid Claims File
Number of Waiting List and Olmstead Individuals Budgeted in the Expansion Virtual Allocation at \$43,000 per individual
Number of Unique Expansion MID's occurring on Medicaid Paid Claims YTD
Medicaid Paid claims YTD for only W-Codes and Clients Listed as Existing
Medicaid Paid claims YTD for only W-Codes and Clients Listed as Expansion
Average monthly Paid claims dividing YTD Existing Earnings by Number of Months Billed YTD
Average monthly paid claims YTD Expansion Earnings by Number of Months Billed YTD
Existing Client Virtual Allocation Minus Monthly Existing Avg. Monthly Paid Claims X 12
Expansion Client Virtual Allocation Minus Monthly Expansion Avg. Monthly Paid Claims X 12

\*\*Data Pulled from Report1d.xls spreadsheet "paid2 in"